

THE MISSOURI BUDGET

FISCAL YEAR 2009

GOVERNOR MATT BLUNT

THE MISSOURI BUDGET

FY 2009 BUDGET OVERVIEW GENERAL REVENUE SUMMARY (millions of dollars)

Available Resources

Beginning Balance	\$506.1
Anticipated FY 2008 Lapse	161.4
Consensus Revenue Estimate	8,229.3
Governor's Proposed Tax Changes	(37.1)
Transfers to Fund	<u>152.3</u>
	\$9,012.0

Obligations

Operating Appropriations	\$8,799.1
Capital Improvements	92.9
Supplemental/Estimateds Setaside	<u>70.0</u>
	\$8,962.0

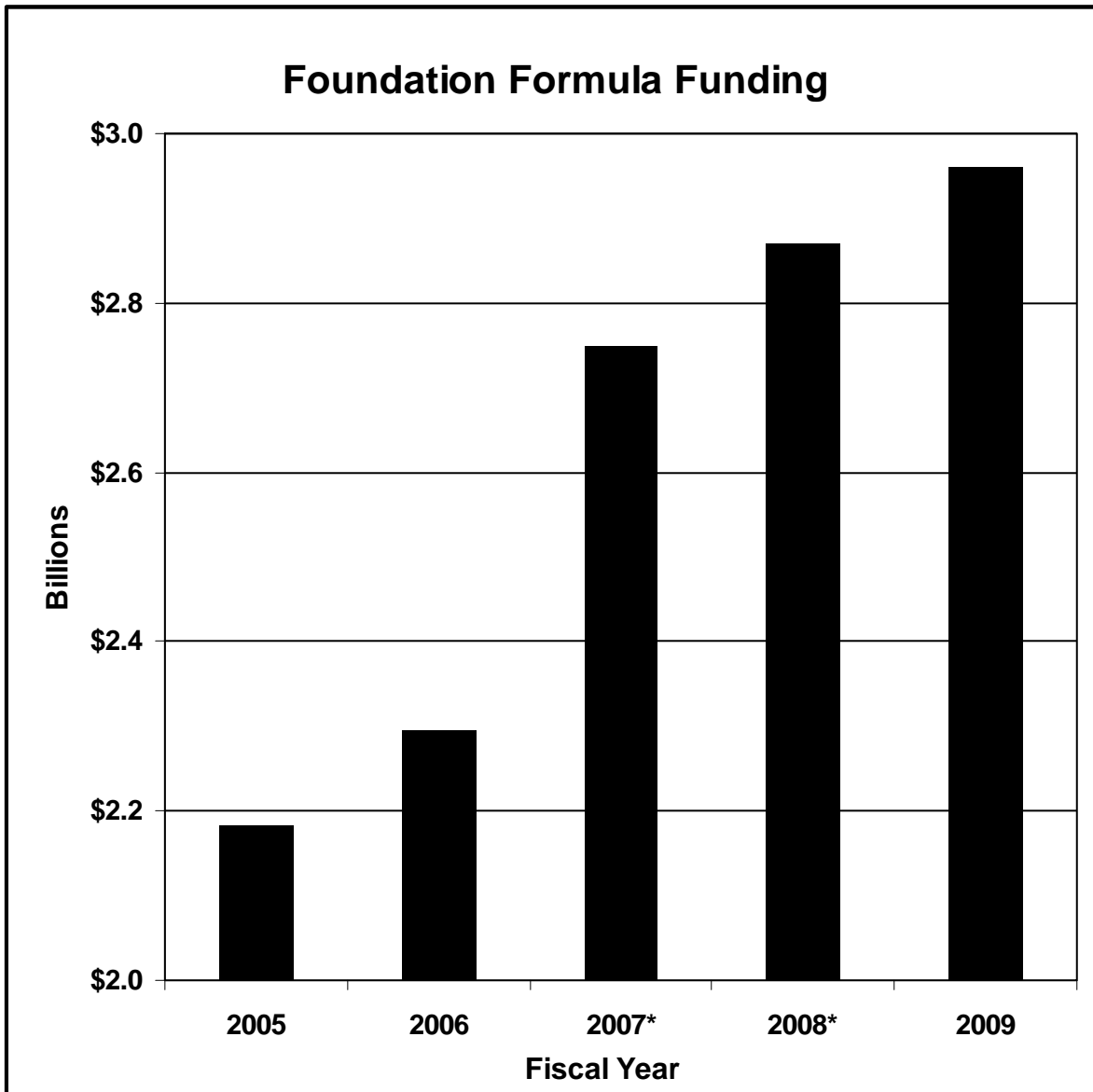
Ending Balance	\$50.0
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THE MISSOURI BUDGET

FY 2009 GOVERNOR'S RECOMMENDED GENERAL REVENUE NEW DECISION ITEMS SUMMARY (millions of dollars)

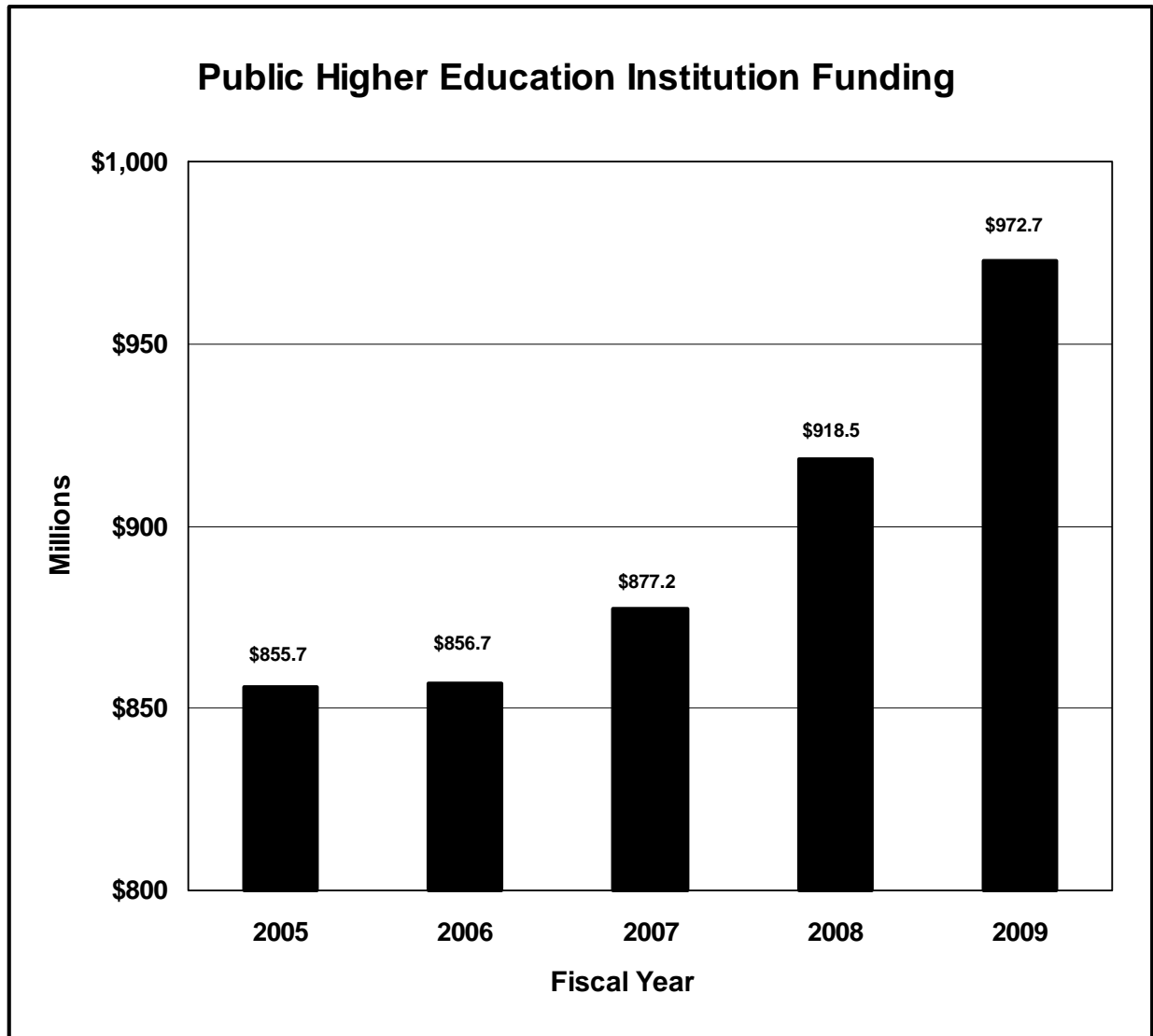
Elementary and Secondary Education	\$163.4
MO HealthNet	100.4
Facilities Maintenance and Repair	75.3
Higher Education Institutions	54.2
Higher Education Scholarships	52.9
Pay Plan	49.7
Provider Rates	48.8
Missouri Consolidated Health Care Plan	28.5
Insure Missouri	27.4
Capital Improvements	17.6
Alternative Fuels	16.2
Public Safety	13.9
Chillicothe Correctional Center	13.2
Mental Health Services	12.0
Cultural Partners	11.3
Interoperability Systems	11.1
Health and Senior Services	10.9
Inmate Healthcare	10.9
Health Care Technology	7.0
Debt Service	5.7
Autism Resources	4.5
Tourism	4.0
Other	39.9
Grand Total	<u>\$778.8</u>

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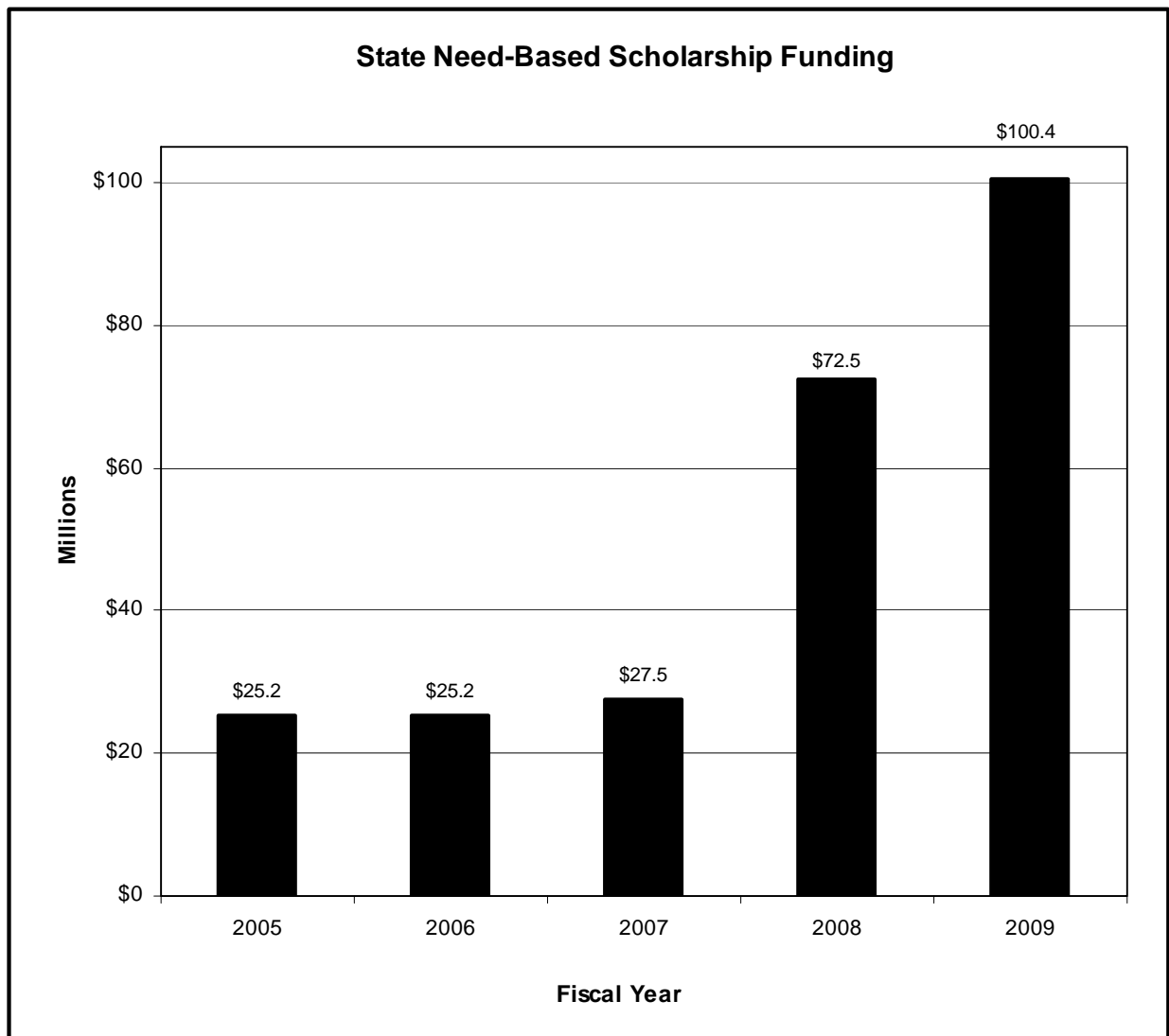


*Includes FY 07 supplemental and FY 08 estimated supplemental.

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MO HealthNet

*Governor Blunt's goals for the new Medicaid program, **MO HealthNet**, include:*

Focusing on health awareness and promoting wellness through preventative care, such as regular checkups, immunizations, and screenings for early detection of disease.

Transforming recipients into participants who have increased patient choice and increased access to information about their health care needs.

Paying health care professionals for performance, not just the number of tests and procedures.

Incentivizing healthy behaviors for participants to improve their quality of life and improve health outcomes.

Pursuing the Insure Missouri program to reduce the number of uninsured Missourians.

- \$347.6 million (\$27.4 million general revenue) for Insure Missouri.
- \$112.8 million (\$41.0 million general revenue) for mandatory rate increases in managed care, hospice, NEMT, and Medicare premiums.
- \$73.3 million (\$10 million general revenue) for increases in pharmacy needs.
- \$52.8 million (\$20.2 million general revenue) Physicians Rate Increase moving Missouri to 65 percent of Medicare reimbursement
- \$26.2 million (\$9.7 million general revenue) for a \$3.00 per day increase for nursing facilities.
- \$25.1 million (\$9.3 million general revenue) to provide a \$.88 per hour rate increase to in-home service providers.
- \$24.6 million (\$9.1 million general revenue) to provide dental and optical services to all MO HealthNet eligibles. Projected 2009 enrollment is 830,028.
- \$22.8 million (\$9.6 million general revenue) for MO HealthNet appraisals, enrollment broker, and health improvement plans.
- \$19.3 million (\$4.8 million general revenue) for MO HealthNet providers for the Department of Mental Health. Increases were made to address the autism waitlist, to provide a one percent community provider rate increase.
- \$15 million (\$7 million general revenue) transferred to the Health Care Technology Fund to continue advancing technology in health related fields, including electronic medical records, enhanced cyber access for MO HealthNet providers, and improved prior authorization processes.
- \$13.5 million (\$5.0 million general revenue) for caseload growth in DHSS for home and community-based services.
- \$13.0 million (\$2.0 million general revenue) to add 82,751 women 18 and older with a net income of less than 185 percent of FPL for women's health services.
- \$8.6 million for tobacco cessation.

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FY 2009 Pay Plan Summary

3% increase for all state employees

- Without fringe benefits: \$66.3 million, including \$36.6 million general revenue
- With fringe benefits: \$78.9 million, including \$44.2 million general revenue

Repositioning and within grade increases for certain positions

- Without fringe benefits: \$5.6 million, including \$4.5 million general revenue
- With fringe benefits: \$6.9 million, including \$5.5 million general revenue

These increases will address situations in job classes where recruitment and retention issues affect the ability of agencies to perform their work. Positions affected include various medical and therapy classifications, psychologists and psychiatrists, security and psychiatric aides in mental health institutions, and corrections officers and their supervisors.

Total Pay Plan Package:

- Without fringe benefits: \$71.9 million, including \$41.1 million general revenue
- With fringe benefits: \$85.8 million, including \$49.7 million general revenue

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TAX REFORM AND INCENTIVES FOR MISSOURI CITIZENS AND BUSINESSES

Governor Blunt was successful during last year's legislative session in passing tax relief for Missouri citizens and businesses. For 2008, the Governor continues to build on those successes by supporting the following additional initiatives:

- Military Pension Income Tax Exemption. This proposal accelerates the provisions of HB 444 (2007) for veterans by eliminating the six-year phase-in for pension exemptions, eliminating the retirement age restriction, and exempting social security benefits regardless of age and income. Estimated cost is \$22.5 million.
- Increase the Cap on the Missouri Agricultural and Small Business Development Authority Tax Credits. The current rush of ethanol and biodiesel projects is expected to completely absorb the credits available for this program. In order to support the development of other important value-added agricultural businesses, the proposal raises the cap from \$6 million to \$12 million. Estimated cost is \$6 million.
- Establish the Missouri Venture Capital Enhancement Program. This proposal provides \$5 million in income tax credits to investors who provide venture capital to high-tech companies. Provisions will be included to ensure the companies remain in Missouri. Estimated cost is \$5 million.
- Renewable Fuel Usage. This proposal provides tax credits for the costs of constructing a qualified alternative fuel vehicle refueling property, tax credits for the purchase of E85 gasoline, and a tax deduction for the purchase of qualified hybrid vehicles. Estimated cost is \$2.8 million.
- Energy Conservation. This proposal authorizes a Show Me Green sales tax holiday week, each April, to encourage consumers to purchase ENERGY STAR appliances. Estimated cost is \$1.1 million (\$800,000 GR).

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GOVERNOR BLUNT'S FY 2009 BUDGET RECOMMENDED INCREASES

K-12 Education

- \$121.3 million for the Foundation Formula
- \$10 million for Title I School Improvement
- \$5.5 million for the School District Trust Fund
- \$5.2 million to provide a wage increase for Sheltered Workshops
- \$3.5 million for the A+ Program
- \$2.5 million for Early Childhood Special Education
- \$2.1 million for eMINTS
- \$2 million for Parents as Teachers
- \$1.5 million for the High Need Program
- \$1 million for Wallace Grants
- \$1 million for Early Head Start
- \$1 million for Virtual Schools
- \$500,000 for Advanced Placement Teacher Training
- \$216,200 for Urban Flight & Rural Needs Teacher Scholarships
- \$100,000 for After School programs

Higher Education

- \$46.2 million for the University of Missouri-Columbia Ellis Fischel Cancer Center and the University of Missouri-Kansas City Pharmacy and Nursing Building
- \$40.2 million in additional funding for Missouri colleges and universities
- \$27.9 million increase for need-based scholarships
- \$13.4 million for the Preparing to Care Initiative
- \$10 million for capital improvements at Linn State Technical College
- \$1 million for a joint engineering program at Missouri State University and Missouri University of Science and Technology
- \$448,243 to staff the new performance-based model for higher education
- \$49,414 to improve regulation of proprietary schools and protect Missourians from diploma mills and substandard institutions

Insure MO

- \$347.6 million for the new Insure Missouri Program

MO HealthNet

- \$112.8 million to provide select rate increases for providers
- \$73.3 million for recipient pharmacy benefits
- \$52.8 million to provide a rate increase for physicians
- \$26.2 million to provide a rate increase for nursing facilities
- \$24.6 million to provide dental and optical services to all participants
- \$22.8 million to establish a “health care home”
- \$15 million for Health Care Technology Fund initiatives
- \$13 million to provide women’s health services to an additional 82,751 low-income women
- \$7 million to provide a rate increase for dental health care providers
- \$4.8 million to provide coverage to 3,700 children

Seniors

- \$25.1 million to provide a rate increase for in-home service providers
- \$1 million for the state’s Area Agencies on Aging
- \$420,156 to provide a rate increase for Hospice providers

Mental Health

- \$7.4 million to provide increased rates to community mental health providers
- \$7.4 million to expand autism services
- \$5 million to construct a new building for the Thompson Center for Autism and Neurodevelopmental Disorders at the University of Missouri-Columbia
- \$2.6 million to provide additional school-based mental health services
- \$2 million for additional Department of Mental Health facility staff training
- \$1.4 million to provide treatment and services to dual diagnosis clients being discharged from psychiatric hospitals
- \$1 million for additional collaboration between Community Mental Health Centers and Federally Qualified Health Centers
- \$1 million to provide community care to clients seeking hospitalization for mental health care
- \$578,040 to provide assistance to the homeless with serious mental illness or chronic substance abuse issues
- \$200,000 for crisis intervention training for law enforcement

Children

- \$6.4 million to provide quality child care for low-income children
- \$3.7 million to achieve national accreditation for the Children's Division
- \$2.3 million to provide substance abuse treatment for families at risk of entering the child protective services system
- \$3 million to provide a rate increase for providers of residential care for children in the state's custody
- \$2.1 million to ensure full access to child care benefits
- \$2.1 million to provide vision exams for school-aged children
- \$2 million for a child care rate adjustment
- \$1.3 million to provide a rate increase for foster parents
- \$1.2 million to provide a rate increase for adoptive parents of abused and neglected children

Health/Wellness

- \$8.6 million to provide tobacco cessation services for MO HealthNet participants
- \$3 million to fund the state's tobacco toll-free quit line and youth prevention programs
- \$2.6 million to provide public health services around the state
- \$2.4 million for the Primary Care Resource Initiative Program to repay education loans for health care providers
- \$1 million for Area Health Education Centers to enhance student access to health care careers
- \$500,000 for the Show Me Healthy Women Program

Jobs/Research

- \$5.9 million for the Life Sciences Research Trust Fund

Community Development/Tourism

- \$6.8 million for the Missouri Arts Council Trust Fund
- \$4 million for tourism
- \$1.1 million for the Historic Preservation Revolving Fund
- \$1.1 million for the Missouri Humanities Council Trust Fund
- \$1 million for local park improvement grants

Energy/Environment

- \$36 million for improvements to state conservation areas
- \$1.7 million to enhance state park operations and support development of a new state park on the Current River

- \$1.2 million to continue state efforts to provide access to clean and safe water for drinking and recreation
- \$500,000 for environmental and emergency response equipment
- \$300,000 for energy audits of municipal water treatment facilities
- \$123,590 to streamline water permit issuances
- \$100,000 to provide energy audits for small businesses

Transportation

- \$483 million for additional road construction projects
- \$22 million for highway guard cables, reflective striping, and signage
- \$11.9 million for grants aimed at reducing death, injury, and property damage on state highways
- \$1 million to provide transportation services to elderly and disabled Missourians
- \$885,000 to increase the safety of commercial motor vehicles
- \$870,000 for transit grants to non-urbanized areas of the state and small city transit systems
- \$600,000 to maintain daily passenger rail service between St. Louis and Kansas City
- \$500,000 for the Safe Routes to School Program

Agriculture

- \$15 million for biodiesel production incentives
- \$1.2 million for ethanol production incentives
- \$547,808 for the Large Animal Veterinary Student Loan Program
- \$280,000 to support Missouri's dairy farmers
- \$247,111 to carry out regulatory duties for meat, poultry, and milk plants
- \$192,803 to maintain disease surveillance for Missouri livestock
- \$171,000 for Missouri Branded Beef
- \$50,000 for a mentoring initiative to help beginning farmers

Immigration

- \$327,819 for a new immigration enforcement team at the Highway Patrol to work with ICE
- \$253,050 for state law enforcement officer immigration and customs training

Sex Offenders

- \$1.5 million to operate a new treatment unit to confine sexual offenders
- \$250,000 for additional grants to cyber crime task forces across the state
- \$143,300 for the Highway Patrol to establish an automated e-mail notification system to alert citizens when a registered sex offender moves into their neighborhood

Law Enforcement

- \$3 million for the Springfield and Jasper County crime labs
- \$2 million to continue Justice Assistance Grants for local crime prevention efforts
- \$1.1 million for a drug monitoring system to track controlled substance purchases

Emergencies/Disasters/Homeland Security

- \$20.9 million to enhance communication systems between state and local law enforcement and emergency responders
- \$9 million to begin implementation of a statewide interoperable communications infrastructure
- \$2 million for a remote data center to maintain critical state functions
- \$1.2 million for additional security measures at the State Capitol
- \$1 million to provide equipment and resources to Homeland Security response teams
- \$100,000 to train local firefighters and emergency responders

Pro-life

- \$250,000 for the Alternatives to Abortion Program - these funds will provide services to an additional 208 pregnant women

Veterans

- \$4.5 million for capital improvements at veterans' homes
- \$2.5 million for veterans' mental health services and homeless assistance
- \$966,170 for pharmaceutical costs at veterans' homes
- \$399,900 for pay increases in critical care veterans' home positions
- \$362,653 for the new veterans' cemetery in Ft. Leonard Wood
- \$250,000 for additional Veterans Service Organization Grants
- \$100,000 for the Missouri Military Relief Fund
- \$50,000 for Operation Outreach
- \$40,555 for an additional Veterans' Service Officer

Responsible Stewardship / State Employees

- \$78.9 million for a three percent cost-of-living adjustment for all state employees
- \$25.8 million to recognize the liability of future retiree health care costs
- \$17.8 million to continue to provide the state's share for health insurance coverage for state employees
- \$6.9 million to improve recruitment and retention in certain critical job classes